

March 2024 Taiwan Non-Manufacturing Index

NMI at 53.5%

Business Activity Index at 53.4%

New Orders Index at 54.4%

Employment Index at 53.6%

NON-MANUFACTURING AT A GLANCE

March 2024

Index	Series Index Mar	Series Index Feb	Percentage Point Change	Direction	Rate of Change	Trend (Months)	Industries							
							Acc & Food	Con & RE	Ed/Pro/ST	Fin & Ins	Inf/Com/BC	Ret	Trans & Stor	WS
Taiwan NMI	53.5	52.3	+1.2	Growing	Faster	17	28.4	58.9	63.2	57.8	56.6	38.8	52.0	56.2
Business Activity	53.4	49.2	+4.2	Growing	From Contracting	1	27.3	62.5	60.8	60.8	60.5	29.4	62.0	56.3
New Orders	54.4	52.2	+2.2	Growing	Faster	13	22.7	50.0	66.2	67.6	57.9	37.5	54.0	65.7
Employment	53.6	54.0	-0.4	Growing	Slower	13	31.8	68.8	64.9	50.0	52.6	38.2	44.0	50.0
Supplier Deliveries	52.8	53.8	-1.0	Slowing	Slower	10	31.8	54.2	60.8	52.7	55.3	50.0	48.0	52.7
Inventories	49.0	51.4	-2.4	Contracting	From Growing	1	45.5	45.8	51.4	62.2	50.0	47.1	42.0	46.4
Prices	62.2	58.3	+3.9	Increasing	Faster	99	72.7	64.6	63.5	58.1	57.9	55.9	66.0	61.6
Backlog of Orders	47.6	50.0	-2.4	Contracting	From Unchanged	1	22.7	43.8	55.4	64.9	50.0	38.2	48.0	49.1
New Export Orders	53.5	48.3	+5.2	Growing	From Contracting	1	37.5	75.0	54.5	42.3	56.3	50.0	41.7	48.8
Imports	54.2	49.5	+4.7	Growing	From Contracting	1	54.5	45.8	66.7	55.0	50.0	45.8	54.8	
Service Charge	53.6	54.6	-1.0	Increasing	Slower	46	50.0	56.5	59.1	52.7	44.7	58.8	52.0	50.9
Inventory Sentiment	49.9	51.8	-1.9	Too Low	From Too High	1	54.5	41.7	47.3	50.0	52.6	52.9	42.0	58.0
Future Outlooks	59.1	57.1	+2.0	Growing	Faster	5	45.5	64.6	68.9	66.2	60.5	52.9	58.0	51.8

Chart 1: Time Series of Taiwan NMI

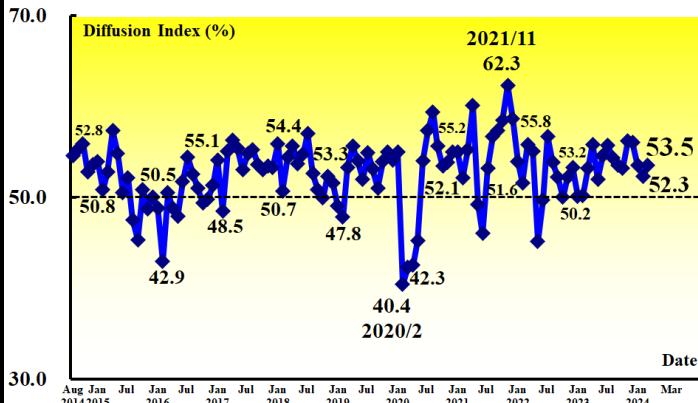
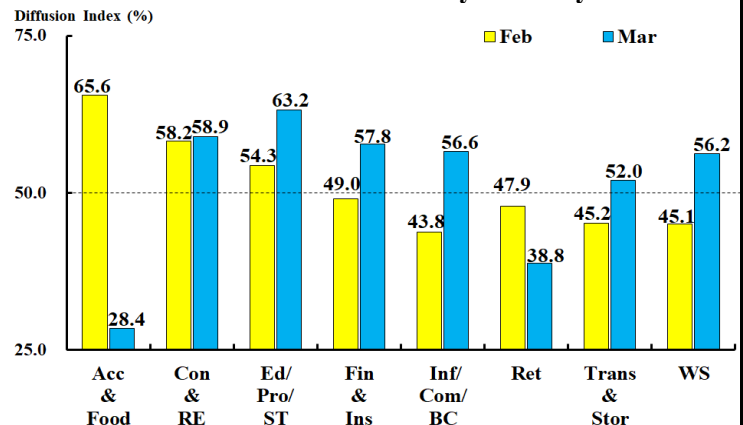


Chart 2: Performance by Industry



Summary

- The Taiwan non-manufacturing sector grew for the seventeenth consecutive month as the seasonally unadjusted Taiwan NMI increased 1.2 percentage points to 53.5 percent.
- The seasonally unadjusted Business Activity Index turned to growth and rose 4.2 percentage points to 53.4 percent. This strong growth in business activity was partially caused by more working days in March comparing to the previous month.
- The New Orders Index grew for thirteen consecutive months, increasing 2.2 percentage points to 54.4 percent.
- Non-manufacturers' employment grew for thirteen consecutive months as the index registered 53.6 percent.
- Non-manufacturers reported deliveries slowing for the tenth consecutive month as the Supplier Deliveries Index registered 52.8 percent in March, decreasing 1.0 percentage point from the 53.8 percent recorded in February.
- The Inventories Index turned to contraction following six consecutive months of growth as the index further declined 2.4 percentage points to 49.0 percent in March.
- Non-manufacturers continuously experienced upward pressures on their purchasing or operation costs for ninety-nine consecutive months, as the Prices Index increased 3.9 percentage points to 62.2 percent.
- The Backlog of Orders Index turned to contraction and fell 2.4 percentage points to 47.6 percent in March.
- Non-manufacturers continued charging higher service prices for forty-six consecutive months while the Service Charge Index went down 1.0 percentage point to 53.6 percent.
- The Future Outlooks Index grew for the fifth consecutive month and rose 2.0 percentage points to 59.1 percent, recording the fastest growth rate since March 2022.
- Six among eight non-manufacturing industries categories reported expansion in the following order: Ed/Pro/ST (63.2%), Con & RE (58.9%), Fin & Ins (57.8%), Inf/Com/BC (56.6%), WS (56.2%) and Trans & Stor (52.0%). While Acc & Food (28.4%) and Ret (38.8%) industries categories contracted in March.

About this Report

This report is jointly issued by the National Development Council (NDC) – a cabinet-level ministry, the Chung-Hua Institution for Economic Research (CIER), and the Supply Management Institute, Taiwan (SMIT). CIER makes no representation, other than that stated within this release, regarding the individual company data collection procedures.

Data and Method of Presentation

The Survey is based on data compiled from monthly replies to questionnaires sent to non-manufacturing executives in about 300 representative non-manufacturing companies. The panel has been carefully selected to accurately replicate the actual structure of the non-manufacturing economy, based on each industry's contribution to gross domestic product (GDP). The diffusion index includes the percent of positive responses plus one-half of those responding the same (considered positive). The NMI (Non-Manufacturing Index) is a composite index based on the diffusion indexes for four of the indicators with equal weights: Business Activity, New Orders, Employment and Supplier Deliveries. Diffusion indexes have the properties of leading indicators and are convenient summary measures showing the prevailing direction of change and the scope of change. An index reading above 50 percent indicates that the non-manufacturing economy in that index is generally expanding; below 50 percent indicates that it is generally declining. Supplier Deliveries is an exception. A Supplier Deliveries Index above 50 percent indicates slower deliveries and below 50 percent indicates faster deliveries. Survey responses reflect the change, if any, in the current month compared to the previous month. For each of the indicators measured, this report shows the percentage reporting each response, and the diffusion index. Responses represent raw data and are never changed.

We re-categorize the non-manufacturing subsectors listed in the Standard Industrial Classification System of the Republic of China (Rev.9, 2011) into nine broad categories. **The Accommodation & Food Service industry (Acc & Food)** which includes Accommodation and Food and Beverage Service Activities; **The Construction and Real Estate industry (Con & RE)** which comprises Construction of Buildings, Civil Engineering, Specialized Construction Activities, Real Estate Development Activities, Real Estate Operation Activities and Related Activities; **The Education, Professional, Scientific & Technical Activities (Ed/Pro/ST)** which includes Education, Legal and Accounting Activities, Activities of Head Offices and Management Consultancy Activities, Architecture and Engineering Activities, Technical Testing and Analysis, Scientific Research and Development, Advertising and Market Research, Specialized Design Activities and Veterinary Activities and Other Professional, Scientific and Technical Activities; **The Financial & Insurance Industry (Fin & Ins)** which comprises Financial Intermediation, Insurance, Securities, Futures and Other Financing; **The Information, Communication and Broadcasting industry (Inf/Com/BC)** which comprises Publishing Activities, Motion Picture, Video and Television Programme Production, Sound Recording and Music Publishing Activities, Programming and Broadcasting Activities, Telecommunications, Computer Systems Design Services and Information Service Activities; **The Transportation and Storage (Trans & Stor)** which includes Land Transportation, Water Transportation, Air Transport, Support Activities for Transportation, Warehousing and Storage and Postal and Courier Activities; **Other Industries (Others):** Electricity and Gas Supply, Water Supply and Remediation Activities, Human Health and Social Work Activities and Support Service Activities; **The Wholesale Trade industry (WS)** and **The Retail Trade industry (Ret).** These industries together account for an estimated 82% of Taiwan non-manufacturing sector output. CIER provides industrial diffusion indexes for each industrial category except Other Industries category.

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